

TOURISM IN SOUTH CENTRAL IDAHO

BACKGROUND

Most travelers on Interstate 84 in South Central Idaho might think that they are driving through a non-descript area consisting of farmland and high desert sagebrush. These travelers would see mountains in the distance on both sides of the freeway and might think little more about it. They would not know that they are driving through one of the most fascinating and diverse areas in the United States with unbounded scenic beauty and recreational opportunities. South Central Idaho has unique geology and archaeology unmatched just about anywhere. South Central Idaho, which consists of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls Counties, is home to many state parks, national monuments, and reserves (see FYI Figure 1: Map of South Central Idaho). Elmore County, which is adjacent to Gooding County and is often included in South Central Idaho, has two state parks.

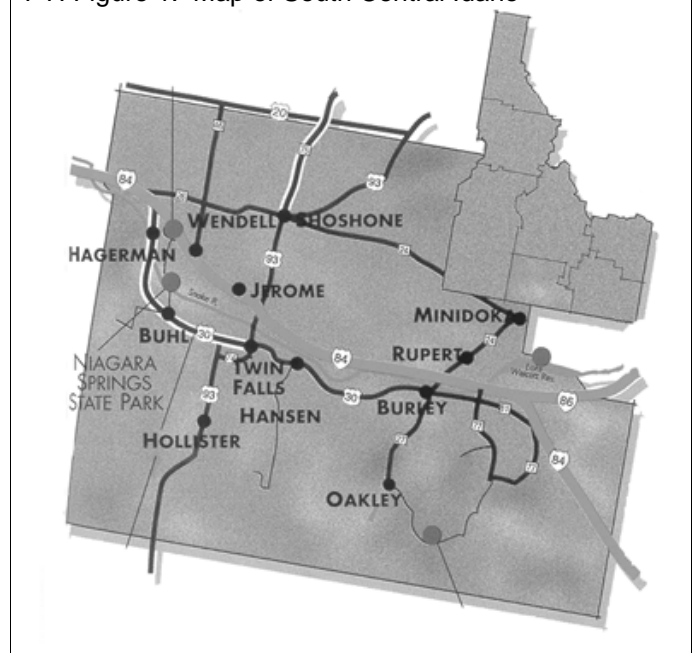
The incredible diversity of South Central Idaho is extremely unique. In Blaine County, to the north, is the world famous Sun Valley ski resort that is a highly sought destination in both winter and summer months. The Sun Valley area boasts beautiful mountain scenery and some of the best skiing conditions in the world. There are also many annual winter and summer events, such as Western Days and the Trailing of the Sheep in warm months, and the beautiful torchlight procession on Christmas Eve. Every year many Olympic medalists figure skate at the Sun Valley resort's outdoor ice rink. For the outdoor enthusiast there is fishing, hiking, hunting, cycling, and horseback riding.

South Central Idaho is the gateway to the Great Rift, a geological phenomenon that consists of a volcanic lava flow, over sixty miles long, which culminates in the Craters of the Moon National Monument near Carey. Other geologic attractions are the City of Rocks State Park in Cassia County with magnificent rock formations that provide world-class rock climbing challenges. For history buffs the Three Island Crossing State Park is where settlers on the Oregon Trail had to decide whether to ford the treacherous Snake River or take a dry and rocky route to Oregon. Parts of the Oregon Trail still can be seen in many parts of South Central Idaho. Farther west in Elmore County is the amazing Sahara-like Bruneau Dunes State Park, which has the highest single-structured sand dune in North America. For archaeologists and paleontologists, the Hagerman Horse Fossil

Bed National Monument provides some of the best horse fossil remains in North America. Throughout South Central Idaho, the Snake River provides many exciting recreational opportunities. In Burley, the annual boat regatta offers world-class boat racing. Near Twin Falls, Shoshone Falls rises higher than Niagara Falls, and in certain times of the year when water is plentiful, the falls are awe-inspiring in their power and majesty. Many river tours near Twin Falls take boating enthusiasts to the base of the falls and under the majestic Perrine Bridge that spans the Snake River at the City of Twin Falls. Many times during the year BASE (Buildings, Antenna, Spans, Edifice) jumpers test their nerve by jumping off the Perrine Bride into the mighty Snake River Canyon where the Snake River flows more than 400 feet below.

And so those travelers who think they are passing through a nondescript high desert land on the freeway need only to stop and spend some time in an area that has an enchanting bit of excitement for everyone no matter what their interests. History to hunting, archaeology to geology, young or old, South Central Idaho is a land of surprises with memories to last a lifetime.

FYI Figure 1: Map of South Central Idaho



ECONOMIC IMPACT OF TOURISM ON IDAHO

Tourism has a tremendous effect on the general Idaho economy and accounts for a significant percentage of the overall state income. It is difficult to determine the actual dollar amount tourism generates because some businesses, such as restaurants, food stores, and convenience stores, are involved with tourism, but also serve other sectors of the economy. However, in the 12-month period of 1999-2000, it is estimated that as much as \$2.08 billion dollars were spent on tourism activities in Idaho. Also during that time period, travel spending by pleasure and business motor vehicle travelers directly generated 42,453 full- and part-time jobs with a payroll of \$562 million. Many of these jobs were seasonal, but some were permanent jobs. (Source: Idaho Department of Commerce.) Each payroll dollar is multiplied in the economy as the dollars are spent by workers and businesses for various personal and business needs. A conservative money multiplier for Idaho is 2.2. Therefore, the overall economic impact from payroll dollars alone during that time period was \$1.24 billion. Region 3, which is Southwestern Idaho including Boise, had the greatest direct job creation in 1999-2000 with 12,460 jobs generated by tourism.

The state and local tax revenue generated through tourism income is often overlooked. Sales tax provides significant income to the Idaho state government as well as taxes on personal and corporate income receipts. Motor fuel taxes are also important to state revenue. Local Option Taxes (LOTs) charged on hotel and motel accommodations generate important income for municipalities. Estimates indicate that over \$150 million in tax revenues were generated in 1999-2000 from tourism-related activities. (Source: Idaho Department of Commerce.) Tourism overall is a huge contributor to state revenue and tourism-related businesses, and it is vital that Idaho continue to be aggressive in marketing the state's magnificent opportunities for tourists.

CHARACTERISTICS OF IDAHO TOURISM

There are many areas of Idaho that are tourism destination areas, such as West Yellowstone and Henry's Lake in Regions 5 and 6, Sun Valley in Region 4, Boise and McCall in Region 5, Lewiston-Moscow-Orofino in Region 2, and Coeur d'Alene and Sandpoint in Region 1. (See FYI Figure 2: Idaho Regions.) However, many areas of Idaho rely on motor vehicle traffic. FYI Table 1 shows percentage breakdowns on why people say they visit Idaho.

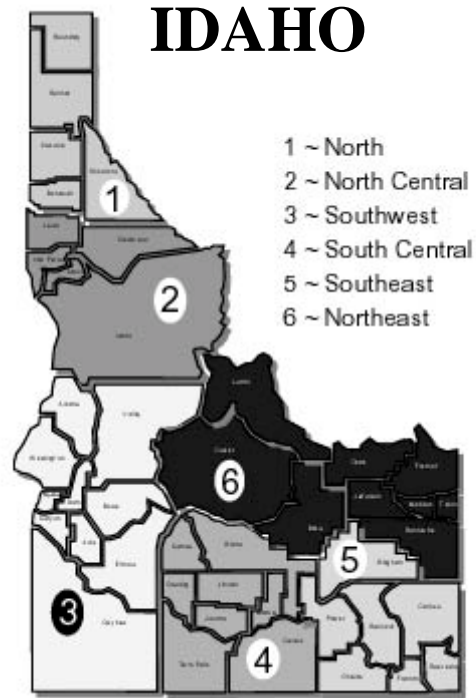
The activities that Idaho tourists undertake while in the state are listed in FYI Table 2.

Many businesses benefit from tourism and create jobs as a direct impact. These business sectors include Accommodations, Eating, Drinking, Food Stores, Recreation, Retail Sales, Ground Transportation, and Air Transportation. (Source: Idaho Department of Commerce.)

ECONOMIC IMPACT OF SOUTH CENTRAL IDAHO TOURISM

Although South Central Idaho (Region 4) does not have a large number of destination locations, tourism has a huge impact on the local economy. During the

FYI Figure 2: Idaho Regions



FYI Table 1: Reasons Why People Visit South Central Idaho

Reason	Percentage
Visiting friends/relatives	42%
Event Attendance	5%
Recreation	15%
Visiting attractions or natural areas	29%
Other	9%

(Source: Idaho Department of Commerce)

FYI Table 2: Activities of South Central Idaho Visitors

Activity	Percentage
Outdoor Recreation	43%
Shopping	33%
Sightseeing	29%
Dining	28%
Friends/Relatives	16%
Cultural	16%
Other Recreation	16%
Tours	9%
Relaxation	6%
Education	6%
Events	2%

(Source: Idaho Department of Commerce)

time period of 1999-2000, Region 4 had significant direct traveler spending, and the number of travelers was estimated at 1,057,772. Estimates of sales by types of businesses for that time period are shown in FYI Table 3.

FYI Table 3: Estimated Sales in South Central Idaho by Type of Business, 1999-2000	
Business	Sales in Dollars
Motel/Hotel, Cabin, Camping	\$18,008,000
Restaurants and Bars	\$27,298,000
Admissions & Fees	\$13,573,000
Retail Trade	\$29,911,000
Wholesale Trade	\$4,404,000
TOTAL	\$92,994,000
(Source: "Economic Impact of Travel Spending in Idaho", University of Idaho, September 2002)	

This is a direct impact on the economy of nearly \$100 million annually, which is a large portion of the overall economy.

The Idaho Department of Labor tracks employment numbers for occupations related to the tourism industry. In 2002, average employment in all sectors relating to tourism was 7,298 workers. The breakdown of these workers by occupation is shown in FYI Table 4.

FYI Table 4: Average Employment by Tourism Occupation for South Central Idaho, 2002	
Occupation	Number of Workers
Performing Arts	96
Museums, Historical Sites	29
Amusement, Gambling	681
Accommodations	1,707
Food Services, Drinking	4,786
TOTAL	7,298
(Source: Idaho Department of Labor, ES-202 report)	

For purposes of this article, retail jobs were not included. Since the focus is on South Central Idaho tourism, only occupations that are directly related to tourism are used for statistical significance and conservative accuracy. The average wage for tourism jobs in South Central Idaho is \$8.50 based on the 2002 *Occupational Wage Survey* produced by the Idaho Department of Labor and local office surveys conducted by the department's regional labor economist. Using 7,298 workers, the annualized estimated direct payroll impact is \$129,028,640. When the amount of money tourists spend at restaurants, hotels, etc., in the area (i.e., direct spending) is added to the payroll number, the direct impact to the Region 4 economy is \$222,022,640. Using the accepted money multiplier of 2.2 for the region, the dollar impact to the economy is shown in FYI Table 5.

This is a substantial annual impact upon the area. It is also an important revenue source that must be sustained to maintain stability, but also enhanced to create growth of the Region 4 economy.

FYI Table 5: Tourism's Dollar Impact on South Central Idaho's Economy, 2002	
Variable	Dollar Amount
Direct Spending	\$92,994,000
Payroll Impact	\$129,028,640
Direct Impact Subtotal	\$222,022,640
Money Multiplier 2.2 total	\$448,449,808

FYI Table 6: Reasons for Travel in South Central Idaho		
Reasons for Travel	Percentages*	Average Group Size
Business	7%	1
Pleasure	44%	2
Business & Pleasure	51%	2
Daily Affairs	49%	1
* These activities do not add up to 100% because some travelers participate in more than one of these activities while in the state.		
(Source: University of Idaho Travel Study)		

CHARACTERISTICS OF SOUTH CENTRAL IDAHO TOURISM

As mentioned before, South Central Idaho offers a great deal of diversity in its attractions. Sun Valley is a destination location and receives a good many tourists by air transportation. There are special flights through Horizon Airlines from California to the Hailey airport. Sun Valley also receives a great deal of motor vehicle traffic from the Interstate 84 exit in Twin Falls north on U.S. Highway 93 (a.k.a. Scenic Highway 75). Many Boise visitors exit the freeway in Mountain Home and drive through Fairfield to travel to Sun Valley. The Hagerman Valley receives significant motor vehicle traffic from either Twin Falls or from the Bliss exit on the freeway from the Malad Gorge State Park. The Mini-Cassia area offers the best access from Interstate 84 since the major city, Burley, is located by the appropriate exits.

Some demographics related to reasons for travel in South Central Idaho, provided in year-round averages, are shown in FYI Table 6.

Of those business and pleasure travelers who were passing through the region on Interstate 84, over 50 percent stopped at Twin Falls, and an average of 10 percent stopped in Burley. Most tourists in the lower six counties of Region 4 travel in the late spring or summer months. Of course, Sun Valley is busiest in the snow season of November through March. There are many activities in Blaine County during the summer that have smoothed out travel patterns there. The Hagerman area has strong tourism in spring and summer because much of its tourism is tied to boating and Snake River activities. The Mini-Cassia area hosts a boat regatta every June attracting many racers from all over the world. The City of Rocks draws rock-climbing enthusiasts, mostly in the warmer months. Some of the cities, primarily Twin Falls, will be celebrating their centennials in the next couple of years and these celebrations could bring several tourists to the area.

FYI Table 7: Tourism Related Jobs, by Service Sector

Arts & Entertainment	Museums, Historical Sites	Amusement, Gambling	Accommodations
Paid performers	Cashiers	Movie cashiers	Hotel/motel clerks
Theater managers	Tour guides	Snack box workers	Concierge
Lighting specialists	Historians	Projectionists	Housekeeping
Custodial	Custodial	Management	Accounting/bookkeeping
		Ticket takers	Human resources
		Custodial	Marketers
			Caterers
			Catering assistants
			Custodial
			Management

(Source: Idaho Department of Labor)

CHARACTERISTICS OF TOURISM-RELATED WORKFORCE

There are many different occupations and wage ranges within the businesses that relate to tourism. Typically these jobs are in the *Services* sector and are some of the fastest growing in the region. Service sector jobs typically have the lowest wages among occupations, averaging \$6.00-\$7.00 per hour for typical service occupations. When management and other administrative jobs are factored in, the average tourism wage is \$8.50 per hour or \$1.39 per hour less than the region average of \$9.89 per hour for all occupations. The Blaine County area has a serious shortage in service sector workers due to an extremely high cost of living and lack of affordable housing. The shortage of domestic applicants is so acute that several hundred foreign workers in the hospitality industry had to be hired under the H-2B program. Many tourism-related business people are self-employed. This is particularly true among some river rafters and outdoor guides.

Typical work sectors and a sample of individual occupations in each area are shown in FYI Table 7.

SUMMARY

Tourism is obviously an essential sector of both the Idaho economy in general and South Central Idaho in particular. The more than 7,000 jobs created by this sector represents close to 10 percent of the *Civilian Labor Force* in Region 4. If *Retail Sales* numbers were also factored in, well over 10 percent of the workforce would be shown to represent tourism. In Region 4, the influence of tourism impacts the economy with nearly \$500 million dollars generated annually. Tax revenues can be estimated at tens of millions of dollars for both state government and local governments and municipalities.

It will continue to be very important to aggressively market Region 4 to sustain the present economical benefits as well as foster growth. Many opportunities exist that can be inferred by the data presented. For example, group sizes for business and pleasure trips were reported as one and two persons, respectively. This shows there is opportunity to attract larger groups and families to the area. Business conventions are an area that can be further developed, requiring cooperation locally among hotels and motels. Improved signage on Interstate 84

could inform travelers of the many attractions of the area. Employees of local tourism-related business could be educated about the attractions in their region so they could refer customers to other tourism-related attractions and businesses. For example, museum workers could refer customers to a local state park or national monument. Eating or drinking establishments could educate employees about local attractions. It is also important that employees maintain a positive attitude about their area, and that can be accomplished through training. Areas of the region that are experiencing hard economic times, such as the Mini-Cassia area, could realize significant benefits from growth in tourism, which could generate dollars for the economy as well as new jobs. When informed local leaders realize the tremendous dollar impact tourism has, it might encourage them to make growth in tourism a community priority. Strong team building with businesses and travel agents could produce multi-faceted Region 4 tour packages. Recent surveys have shown that Idahoans rank first in the United States in taking advantage of outdoor recreation. The potential for growth in Region 4 is strong. Local residents could be persuaded to rediscover their own home territory. With a heightened worry about terrorism, Americans are considering vacations closer to home and travel that involves their own automobiles rather than flying. Region 4 is a motorist's treasure trove that is largely undiscovered. With local cooperation and teamwork, Region 4 could benefit economically from its own potential beyond anyone's wildest dreams.

See *REFERENCES* on the next page for further information about tourism in South Central Idaho.

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REFERENCES

For further information about attractions in South Central Idaho, see the following Idaho Department of Commerce Web Pages:

http://www.visitid.org/Regions/region_4.html
http://www.visitid.org/Regions/r4_about.html

http://www.idahoparks.org/parks/Box_canyon.html
<http://www.idahoparks.org/parks/bruneaudunes.html>
<http://www.idahoparks.org/parks/city-rocks.html>
<http://www.idahoparks.org/parks/walcott.html>
<http://www.idahoparks.org/parks/niagarasprings.html>
<http://www.idahoparks.org/parks/threeisland.html>

For further information about parks to visit in South Central Idaho, see the following Idaho Parks and Recreation Web Pages :

FYI Table 8 (below) provides specific wage and employer information regarding South Central Idaho by business sector.

FYI Table 8: Average Employment, Average Tax Rate, Average Wage, Employer Count, Employers, Employment Growth for South Central Idaho, 2001-2002							
Region/County	Business Sector	Average Employment		Average Tax Rate		Average Wage	
		2001	2002	2001	2002	2001	2002
South Central	71 - Arts, Entertainment, and Recreation	805	867	1.3	1.3	25,682	21,435
South Central	711 Performing Arts, Spectator Sports, and Related Industries	96	110	1.1	1.1	128,356	104,693
South Central	712 Museums, Historical Sites, and Similar Institutions	29	26	0.5	0.3	18,461	12,398
South Central	713 Amusement, Gambling, and Recreation Industries	681	731	1.5	1.5	11,586	9,284
South Central	72 - Accommodation and Food Services	6,493	6,587	1.1	1.1	11,258	8,526
South Central	721 Accommodation	1,707	1,637	1.0	0.9	15,823	12,200
South Central	722 Food Services and Drinking Places	4,786	4,949	1.1	1.1	9,630	7,311

FYI Table 8: Average Employment, Average Tax Rate, Average Wage, Employer Count, Employers, Employment Growth for South Central Idaho, 2001-2002 (cont.)							
Region/County	Business Sector	Employer Count		Employers		Employment Growth	
		2001	2002	2001	2002	2001	2002
South Central	71 - Arts, Entertainment, and Recreation	1,323	1,002	110	111	5	8
South Central	711 Performing Arts, Spectator Sports, and Related Industries	345	264	29	29	1	15
South Central	712 Museums, Historical Sites, and Similar Institutions	93	81	8	9	39	-8
South Central	713 Amusement, Gambling, and Recreation Industries	885	657	74	73	4	7
South Central	72 - Accommodation and Food Services	4,812	3,612	401	401		1
South Central	721 Accommodation	657	459	55	51	-2	-4
South Central	722 Food Services and Drinking Places	4,155	3,153	346	350	1	3

Ask the Economist

TOTAL EMPLOYMENT & NONFARM PAYROLL JOBS: HOW DO THEY DIFFER?

This column addresses common questions that our readers have on the data we gather and provide. Please send your questions, comments, or suggestions via e-mail to lni@jobservice.us or U.S. Postal Service mail to Public Affairs, Idaho Department of Labor, 317 W. Main St., Boise, ID 83735.

Total Employment and *Nonfarm Payroll Jobs* are two terms used frequently throughout the analysis in this newsletter and in much of the other material published by the Idaho Department of Labor (several terms are defined in the Glossary on page 28), yet in discussions with a variety of people, it seems that the difference between *Total Employment* and *Nonfarm Payroll Jobs* remains unclear and causes confusion among data users. So this month's question for *Ask the Economist* is the reprisal of a former question: *What is the difference between Total Employment and Nonfarm Payroll Jobs?* Part of the confusion may occur because, during the last year, estimates of *Total Employment* and the count of *Nonfarm Payroll Jobs* have gone in different directions. So it is again time to remind readers and other data users what is included in each of these economic measures.

Total Employment is a count of **people** who live in Idaho and are working. *Nonfarm Payroll Jobs* is a count of **jobs**. Basically, it is a head count of people on an active payroll. *Total Employment* is a one of two data elements used to generate Idaho's *Civilian Labor Force*. *Total Employment* is a count of nonmilitary **persons** living in Idaho, 16 years of age or older, working during the 12th day of month. A **person** can work for an employer, be self-employed, or work in a family enterprise as a non-paid worker. A **person** is counted only once even though he/she might hold more than one job, but the **person** must reside in Idaho. Table 1 shows Idaho's *Civilian Labor Force* numbers for May 2003. Note that *Total Employment* (the number of **people** living and working in Idaho—656,300) added to *Unemployment* (the number of **people** who do not have a job, have actively looked for work in the prior four weeks, and are available to work—35,900) totals the *Civilian Labor Force* number—692,200 **people**.

Table 1: Idaho Labor Force Numbers, May 2003

IDAHO LABOR FORCE ⁽¹⁾	
<i>Seasonally Adjusted</i>	
Civilian Labor Force	692,200
Unemployment	35,900
Percent of Labor Force Unemployed	5.2
Total Employment	656,300

Another important economic indicator is *Nonfarm Payroll Jobs*, which is a count of **jobs**. Approximately 3,900 Idaho employers participate in a monthly survey in which they provide employment and wage information to the Idaho Department of Labor (IDOL). The same information is provided quarterly by all employers who are covered by Idaho's unemployment insurance law to the IDOL. But how does this count differ from *Total Employment* if both numbers count people who are working? The data employers provide to the Idaho Department of Labor is a count of the number of people they had working for them during the 12th day of the month regardless of whether they work for another employer or even live in Idaho. What the data tells us is how many **jobs**, not **people**, existed during the month. There is not an unemployment rate in this data series.

The following is an example of the difference in *Total Employment* and *Nonfarm Payroll Jobs*: Howard lives in Emmett (Gem County). He works for the XYZ machinery in Boise (Ada County). Howard also works for Amy's Gas 'n Go on weekends in Emmett. Because Howard lives in Emmett, he is counted in *Total Employment* only once in Gem County. But because Howard works at two jobs, one in Boise and one in Emmett, he is counted in *Nonfarm Payroll Jobs* twice—once in the *Manufacturing* sector in Ada County and once in the *Retail Trade* sector in Gem County.

When the unemployment rate is released each month, the *Total Employment* number, which is a part of Idaho's *Civilian Labor Force*, is also pre-

sented. It is a count of **people** working either full-time or part-time, regardless of industry. Often the IDOL's monthly news release or other articles will discuss employment (**jobs**) within various industrial groups. This discussion refers to the count of Idaho's *Nonfarm Payroll Jobs*, which is a count of **jobs**. This data is used to explain why the labor force numbers have changed.

The data used to develop both series—*Total Employment* and *Nonfarm Payroll Jobs*—are collected for the week that includes the 12th day of the month. The U.S. Bureau of Labor Statistics (BLS) provides guidelines and the methodology for both surveys, used by all states, which allows for state-to-state comparisons.

The following factors could have an impact on *Total Employment*:

- » Changes in population growth;
- » Changes in the number of workers per household;
- » Changes in industrial segments not easily measured, i.e., self-employed, private households, agriculture workers, etc.;
- » Changes in seasonal patterns;
- » Changes in the status of the households in the Current Population Survey (CPS) sample. [The CPS is a monthly survey of households conducted by the U.S. Bureau of Census for the BLS. It provides a comprehensive body of data on the labor force, employment, unemployment, and persons not in the labor force.]

If *Total Employment* (number of **people**) has declined, shouldn't that also be the case for nonfarm employment (number of **jobs**)? Not necessarily.

The following factors could have an impact on the number of *Nonfarm Payroll Jobs*:

- » When jobs are filled by out-of-state workers, thereby not increasing Idaho's labor force total employment statistics;
- » When jobs are filled by multiple jobholders, thereby not increasing Idaho's labor force *Total Employment* statistics;
- » When jobs are filled by persons who are 14 and 15 years of age, thereby not included in the labor force statistics.

Because of the differences in employment measures, concepts, and methodology, *Total Employment* and the number of *Nonfarm Payroll Jobs* are not comparable. The two employment series can move in opposite directions and still be correct. This has occurred several times in 2002. Even when the two employment series move in the same direction, the magnitude is not always the same.

Given the differences in these employment measures, which should be considered the most important? It depends upon your primary interest.

The labor force statistics, which include *Total Employment*, provide a comparable measure of an area's general economic well being. The unemployment rate is a single statistic that can be compared state-to-nation, state-to-state, and county-to-county. Even though puzzling month-to-month changes can occur, long-term trends in labor force statistics point to how the economy is faring over time.

Nonfarm Payroll Jobs statistics show the industrial structure of an area's economy and how the industries compare from month-to-month and year-to-year. Individual industry employment changes can be compared to changes in the total number of *Nonfarm Payroll Jobs*, changes in large industrial groupings, and changes in the industry from one area to another.

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